

HOUSE BILL NO. 350

INTRODUCED BY

(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FORM AND CONTENT FOR THE EXECUTIVE BUDGET PROPOSAL SUBMITTED TO THE LEGISLATURE; AND AMENDING SECTIONS 17-7-112 AND 17-7-123, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 17-7-112, MCA, is amended to read:

**"17-7-112. Submission deadlines -- budgeting schedule.** The following is the schedule for the preparation of a state budget for submission to the legislature convening in the following year:

(1) By <sup>August 12</sup> ~~August 1~~, forms necessary for preparation of budget estimates must be distributed pursuant to 17-7-111(2).

(2) (a) By September 1, each agency shall submit the information required under 17-7-111 to the budget director. The department of justice shall submit information received from counties concerning the state's share of county attorney salaries.

(b) As provided in 7-4-2502(2)(a), the department of justice is not obligated to provide more than one-half of the salary of a county attorney based on the amount included in the department's budget and appropriated for that purpose.

(3) By September 1, the budget director shall submit each state agency's budget request required under 17-7-111(3) to the legislative fiscal analyst. The transfer of budget information must be done on a schedule mutually agreed to by the budget director and the legislative fiscal analyst in a manner that facilitates an even transfer of budget information that allows each office to maintain a reasonable staff workflow.

~~(4) By October 10, the budget director shall furnish the legislative fiscal analyst with a preliminary budget reflecting the base budget in a format agreed upon by both the office of budget and program planning and the legislative fiscal analyst.~~

(4) ~~(5)~~ By October 30, a budget request must be prepared by the budget director and submitted to the legislative fiscal analyst on behalf of any agency that did not present the information required by this section. The budget request must be based upon the budget director's studies of the operations, plans, and needs of the

1 institution, university unit, or agency.

2 (5)(6) By November 1, the budget director shall furnish the legislative fiscal analyst with a present law base  
3 for each agency and a copy of the documents that support the cost estimates of significant present law  
4 adjustments and new proposals and of the documents that reflect the anticipated receipts and other means of  
5 financing the base budget and present law base for each fiscal year of the ensuing biennium. The material must  
6 be in a format agreed upon by both the office of budget and program planning and the legislative fiscal analyst.

7 ~~(7) By November 12, the budget director shall furnish the legislative fiscal analyst with the documents,~~  
8 ~~in a format agreed upon by both the office of budget and program planning and the legislative fiscal analyst, that~~  
9 ~~reflect expenditures to the second level, as provided in 17-1-102(3), by funding source and detailed by accounting~~  
10 ~~entity.~~

11 (6)(8) By November 15, the proposed pay plan schedule and the information technology summary required  
12 by 17-7-111(4); and a preliminary executive budget proposal and summary that meets the statutory requirements  
13 for submission of the budget to the legislature; ~~and a summary of the preliminary budget designed for distribution~~  
14 ~~to members and members-elect of the legislature pursuant to 17-7-123(3) must be printed and submitted to the~~  
15 legislative fiscal analyst in a form designed for distribution to members and members-elect of the legislature. The  
16 budget office shall also mail a copy of the executive budget proposal to each member of the legislative finance  
17 and the revenue and transportation interim committee  
committee. The mailing must be postmarked on the next business day following the submission deadline in this  
18 subsection.  
A copies or distributed within 5 days

19 (7)(9) By December 15, the budget director shall submit a any adjustments to the preliminary budget to the  
20 governor and to the governor-elect, if there is one, as provided in 17-7-121, and ~~shall furnish~~ to the legislative  
21 fiscal analyst ~~with all amendments to the preliminary budget.~~

22 (8)(10) By January 7, recommended changes proposed by a governor-elect must be transmitted to the  
23 legislative fiscal analyst and the legislature as provided in 17-7-121."  
24

25 **Section 2.** Section 17-7-123, MCA, is amended to read:

26 **"17-7-123. Form and content of executive budget.** (1) The executive budget proposal submitted to  
27 the legislature must set forth a balanced financial plan for funds subject to appropriation and enterprise funds that  
28 transfer profits to the general fund or to accounts subject to appropriation for each accounting entity and for the  
29 state government for each fiscal year of the ensuing biennium. The base level plan must consist of:

30 (a) a consolidated budget summary setting forth the aggregate figures of the budget in a manner that

1 shows a balance between the total proposed disbursements and the total anticipated receipts, together with the  
2 other means of financing the budget for each fiscal year of the ensuing biennium, contrasted with the  
3 corresponding figures for the last-completed fiscal year and the fiscal year in progress. The consolidated budget  
4 summary must be supported by explanatory schedules or statements.

5 (b) budget and full-time equivalent personnel position comparisons by agency, program, and  
6 appropriated funds for the current and subsequent biennium;

7 (c) the departmental mission and a statement of goals and objectives for the department;

8 (d) base budget disbursements for the completed fiscal year of the current biennium, estimated  
9 comparable disbursements for the current fiscal year, and the proposed present law base budget plus new  
10 proposals, if any, for each department and each program of the department;

11 (e) a statement containing recommendations of the governor for the ensuing biennium by program and  
12 disbursement category, including:

13 (i) explanations of appropriation and revenue measures included in the budget that involve policy  
14 changes;

15 (ii) matters not included as a part of the budget bill but included as a part of the executive budget, such  
16 as the state employee pay plan, programs funded through separate appropriations measures, and other matters  
17 considered necessary for comprehensive public and legislative consideration of the state budget; and

18 (iii) a summary of budget requests that include proposed expenditures on information technology  
19 resources. The summary must include funding, program references, and a decision package reference;

20 (f) a report on:

21 (i) enterprise funds not subject to the requirements of subsections (1)(a) through (1)(e), including  
22 retained earnings and contributed capital, projected operations and charges, and projected fund balances; and

23 (ii) fees and charges in the internal service fund type, including changes in the level of fees and charges,  
24 projected use of the fees and charges, and projected fund balances. Fees and charges in the internal service fund  
25 type must be approved by the legislature in the general appropriations act. Fees and charges in a biennium may  
26 not exceed the level approved by the legislature in the general appropriations act effective for that biennium.

27 (g) any other financial or budgetary material agreed to by the budget director and the legislative fiscal  
28 analyst.

29 (2) The statement of departmental goals and objectives and the schedule for each fund required in  
30 17-7-111(3)(b) of the executive budget are not required to be printed but must be available in the office of budget

1 and program planning and on the internet.

(3) The executive budget proposal submitted to the legislature pursuant to this section and in accordance with 17-7-112 must include narrative and supporting documentation explaining how each component of the executive budget proposal was developed. The explanations and documentation must be sufficient to allow independent analysis of the budget by the legislative fiscal analyst pursuant to 5-12-302 and preparation of the legislative finance committee's budget analysis and recommendations to the legislature pursuant to 5-12-205.

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